

How One CU Offers 24/7 Service at No Net Cost

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By Matt Blumenfeld

KINGSTON, N.Y.-A novel technology has brought 24/7 full-service banking to Mid-Hudson Valley FCU, helped attract hundreds of new members in 2009-at no net cost.

Where remote tellers typically are shut down when the branch location that houses them closes for business, the personal teller machines that the \$663-million institution put in place will offer 24/7 access. Instead of simply hooking a member up to a teller located in the back office of a branch, "all the personal tellers in the region go to a centralized contact center, and in our case it is a 24/7 environment," said SVP and chief marketing officer Bob Michaud. "You can go up to our personal teller machine at three in the morning and you are going to talk to a teller."

Mid-Hudson Valley FCU now boasts personal tellers at six of its nine locations, and will complete full network wide implementation by the end of the year. To take full advantage of the technology from uGenius Technologies, the credit union has revamped its brick and mortar locations by crafting an expanded lobby environment that looks like a normal branch but operates much differently. The usual teller lines are absent, and floor staff organizes at workstations near the entrance to help direct members either to the personal tellers or to other appropriate offices and desks.

From the beginning, the CU recognized the potential loss of personal connection with members and opportunities for cross selling. So early in the implementation process it used one of its locations as a prototype, packed with seasoned floor staff to determine the impact automated branches would have on cross selling. What the CU discovered was stunning; its model branch scored highest among all locations for customer service and in successfully obtaining additional walletshare.

"If you have an inexperienced teller, they may be no more capable than an automated piece of equipment. This frees up our most seasoned staff and it allows them to engage a member whenever it is appropriate," Michaud explained. "The technology has proven itself in not only delivering a higher level of convenience, but not distracting from member engagement."

With tough competition in its market, including TD Bank which has marketed itself as the "world's most convenient bank," Michaud believes the personal tellers have given Mid-Hudson Valley FCU a very concrete and clear point of differentiation. The competitors are noticing it too; Michaud said private conversations with bankers at other institutions are being driven "nuts" by the automated branch concept. Members appear to be more than receptive to the system, as volume during both regular business hours and off hours has shown consistent growth.

And the technology, which Michaud said provided enough savings and new business once it reaches full scale to be implemented at no net cost, helped to attract 1,800 new members in 2009.